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SIPDIS

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TAGS: [PREL](#) [PGOV](#) [HR](#)

SUBJECT: ZAGREB WEEKLY ACTIVITY REPORT - JANUARY 29, 2009

11. (U) EBRD PRESENTS ANNUAL TRANSITION REPORT; ZERO GROWTH PROJECTED:

EBRD Lead Economist Peter Sanfey presented the report in Zagreb this week, in which the bank downgraded growth projections for Croatia to zero for 2009. Sanfey claimed this was an optimistic scenario, given that most other countries in the region face negative growth projections. Croatia's top five trading partners in western Europe also face negative growth forecasts, which is a worrisome sign for Croatia's already weak export sector. Sanfey praised Croatia's overall reform path, however, and called on the government to focus efforts in four areas: privatization of remaining state assets, particularly shipyards, improving the business climate by elimination of unnecessary regulations, health and pension reform, and completion of the EU accession process. (DWestfall)

12. (U) BELGIUM APPROVES CROATIA'S NATO ACCESSION PROTOCOL:

The MFA reported on January 30 that it received notification that the Parliament of Belgium approved Croatia's accession protocol. The MFA said that by its count Belgium was the 19th NATO member country whose parliament passed the protocol. (PD'Amico)

13. (U) HOOLINGANISM MARS HANDBALL CHAMPIONSHIP:

Controversy and acts of violence aimed mostly against the visiting Serbian handball team have disrupted Croatia's otherwise successful hosting of the World Handball Championship. Problems began on Jan. 23 when Zivko Kolega, the mayor of Zadar, one of the host cities, removed the flags of all 24 competing teams from the city's main square. Kolega argued that he was responding to complaints about the presence of the Serbian flag. Ethnic tensions still run high in the Zadar area, which saw heavy fighting during the 1990's conflict. Though Kolega claimed his actions were preventative, violent incidents were reported only after the flags were removed. A bomb threat was reported at the hotel where Serbian players were staying, a car with Serbian plates was vandalized, and a Macedonian fan was beaten with a baseball bat. The Serbian team did not attend a closing reception hosted by the mayor. Kolega's actions were also widely criticized in the media and by leading figures among the ruling HDZ party, including Kolega's predecessor. There are reports that Kolega will not run for re-election in the upcoming municipal elections (see items below). Ethnic incidents during the tournament have not been exclusively in Zadar, however. In Zagreb, two youth were detained for trying to set the Serbian flag afire in the main square, and Serb fans also reported some harassment in the Istrian town of Porec. (JNCallahan)

14. (U) USG FUNDS REGIONAL DEMINING WORKSHOP:

The Croatian Mine Action Center (CROMAC) on January 26 hosted representatives from several countries for a one-week workshop on combining satellite and aerial imagery with landmine databases to generate detailed predictions of danger-zones for landmines. The workshop was funded by the U.S. Government through the International Trust Fund (ITF). Participants included Mine Action Center officials and Geographic Information System experts from Croatia, Serbia, Bosnia and Herzegovina, Albania, Macedonia, and Azerbaijan.

Participants learned about the latest technologies for developing maps which better indicate probability levels for landmines and discussed how to expand the Croatian pilot project to other countries. ITF announced that it is funding an expansion of the project to Bosnia. (CZimmer)

15. (U) TWEAKS TO LOCAL ELECTION LAW LOOK LIKELY:

The leading election-monitoring NGO "GONG" along with the Law Faculty of Zagreb organized a panel discussion on January 27 to discuss some legal ambiguities present in the new local election laws, which provides for the direct election of mayors and county prefects (zupans). The roundtable included prominent members of parliament, the government, and academics and while disagreeing on whether direct elections of local government executives would bring "more" democracy, they did agree on list of changes to improve the functioning of the new local election law. This included, for instance, further clarifying the powers to be wielded by mayors and county prefects vis-Q-vis the relevant local assemblies. The roundtable also identified several

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other laws regarding local governance that should be amended to bring them in line with the new local election law. (ZTOMIC)

16. (U) PARTIES JOCKEY OVER MAYORAL CANDIDATES:

The center-right HDZ on January 27 named the youthful city-counsel woman and parliamentarian Vesna Buterin as their candidate for mayor of Rijeka after their first choice, the director of the Rijeka Port, declined to run. The HDZ hasn't officially named its candidate for prefect in the Primorje-Gorski Kotar, which includes Rijeka, but local media report they have asked Josip Boric, Director for Island and Coastal Development in the central government, to run. Regardless of the fresh faces, the HDZ has a steep hill to climb in Rijeka. In Zagreb, Radimir Cacic, president of the Croatian Peoples' Party (HNS), is likely to pull out of the race for Mayor despite recent polls that show him as the only candidate anywhere close to incumbent Zagreb mayor Milan Bandic. Cacic, who is rumored to have his sights on the presidency, may not want to lose a local election contest just prior to possibly contesting the presidency in January 2010. In place of Cacic, the HNS is expected to announce that Zagreb city-council woman and former parliamentarian Alenka Kosisa Cicin-Sain will be their candidate for mayor. Also this week, Branimir Glavas, head of the Croatian Democratic Alliance of Slavonia and Baranja (HDSSB), announced that he would not run for mayor of Osijek but for county prefect of Osijek-Baranje. While the current county prefect, Kresimir Bubablo, would be the HDSSB's candidate for mayor in Osijek. (DMEGES)

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